

**FILED FOR RECORD**

**OCT 27 1997**

**BEFORE THE STATE OIL AND GAS BOARD OF MISSISSIPPI** STATE OIL AND GAS BOARD  
Walter Boone, Supervisor

**RE: PETITION OF HOGAN ENERGY CORPORATION  
CONCERNING SPECIAL FIELD RULES FOR  
BATTEAST HILL FIELD**

**DOCKET No. 318-97-696**

**ORDER No. 445-97**

**ORDER**

This day this cause came on to be heard on the Petition of Hogan Energy Corporation requesting the State Oil and Gas Board of Mississippi to enter an order establishing Special Field Rules for Batteast Hill Field in Wilkinson County, Mississippi, for the purpose of defining the Wilcox Oil Pool and establishing spacing rules for said pool. This Board, having considered the Petition and the evidence submitted in support thereof, and being fully advised in the premises, is of the opinion and finds that the relief requested by Hogan Energy Corporation should be and the same is hereby granted. This Board further finds and determines as follows, to-wit:

1.

Due, proper and legal notice of the meeting of this Board for the purpose of considering and hearing the Petition filed herein has been given in the manner and time required by law and the rules and regulations of this Board. Due, legal and sufficient proofs of publication of such notice and proof of notice by personal service are on file with this Board. Hogan Energy Corporation has made a reasonably diligent effort to give the personal notice required by the rules and regulations of this Board. This Board has full jurisdiction of the parties and the subject matter hereof.

2.

A public hearing was held by this Board in Suite E, 500 Greymont Avenue, Jackson, Mississippi, commencing on October 15, 1997, at 9:30 o'clock a.m., at which time and place all persons who desired to be heard on said matter were heard and all testimony and the evidence were duly considered by this Board.

3.

Batteast Hill Field was discovered in 1987. A number of wells have been drilled in the field since its discovery. All of the wells drilled in Batteast Hill Field have been plugged and abandoned, except the U.S.A. 24-14 No. 1 Well, the U.S.A. 24-14 No. 4 Well, the Bob Bertolet -- Batteast No. 1 Well and the Batteast SWDW No. 2 Well.

4.

Hogan Energy Corporation [the Petitioner in the Petition filed in this docket] is the operator of the U.S.A. 24-14 No. 1 Well and the U.S.A. 24-14 No. 4 Well. These wells were originally drilled by Calto Oil Co. in 1987 and 1989, respectively. The U.S.A. 24-14 No. 1 Well currently is completed in one of the Wilcox Formation sands commonly known as the "Jenkins sand." The U.S.A. 24-14 No. 4 Well currently is completed in one of the Wilcox Formation sands commonly known as the "Armstrong sand."

5.

Robert C. Bertolet is the present operator of the Bob Bertolet -- Batteast No. 1 Well, which was drilled in 1987. The Bob Bertolet -- Batteast No. 1 Well currently is completed in the "Jenkins sand."

6.

Meason Operating Company is the present operator of the Batteast SWDW No. 2 Well, which currently is completed as a saltwater disposal well.

7.

Since the discovery of the field in 1987, over one-half million barrels of crude oil have been produced from the field. The vast majority of the crude oil production from Batteast Hill Field has been from the Armstrong sand. Recent production has been obtained from the Jenkins sand. No Special Field Rules have been promulgated by this Board for Batteast Hill Field. Furthermore, no sands have been defined by this Board as separate and distinct pools or reservoirs.

8.

The Wilcox Formation in Batteast Hill Field has been completely developed by progressive drilling under statewide spacing rules. Over the past several years, the rate of production has declined and the Wilcox Formation is rapidly reaching the end of its primary production capability. In order to maintain the field's economic viability, it is necessary that the operators in Batteast Hill Field be authorized to simultaneously produce from all of the

productive sands in the Wilcox Formation. In order to allow the simultaneous production from the various Wilcox sands, it is necessary that Special Field Rules be adopted for Batteast Hill Field to define the Wilcox Oil Pool as a single productive reservoir and to establish spacing requirements for said pool in accordance with the statewide spacing rules adopted by this Board.

9.

The various Wilcox Formation sands are compatible and can be simultaneously produced through the same tubing strings without harming any of the separate pools. The simultaneous production of the various Wilcox Formation sands through single tubing strings in each of the wells in Batteast Hill Field will not increase the hazards, risks or dangers incident to the production of hydrocarbons in said field. Furthermore, the simultaneous production of the various Wilcox Formation sands through the same tubing strings in the wells in Batteast Hill Field is in all respects consistent with sound conservation practices.

10.

For the purposes of the Special Field Rules, the Wilcox Oil Pool should be defined as follows:

**"The WILCOX OIL POOL in Batteast Hill Field consists of those strata of the Wilcox Formation productive of oil and/or other hydrocarbons which can be correlated with the strata indicated on the Dual Induction SFL Log [run by Schlumberger on November 3, 1987] of the Calto Oil Co. -- U.S.A. 24-14 No. 1 Well (located 640 feet from the South line and 362 feet from the East line of the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$  of SW $\frac{1}{4}$ ) of Section 24 of Township 4 North, Range 1 East, Wilkinson County, Mississippi) between the depths of 4870 feet and 7112 feet (IEL measured depths) [true vertical subsea depths of -4681 feet and -6923 feet] and all sands correlative to and in communication with said strata."**

Said definition is sufficient to encompass all of the Armstrong sand and the Jenkins sand and all other potentially productive Wilcox Formation sands heretofore encountered in Batteast Field.

11.

The adoption of Special Field Rules for Batteast Hill Field will facilitate the more efficient and economical operation of Batteast Hill Field and will ultimately result in the recovery of more oil and/or other hydrocarbon reserves from Batteast Hill Field. The adoption of the Special Field Rules for Batteast Hill Field as proposed in the Petition filed in this docket will promote the conservation of oil and gas of Batteast Hill Field and the

State of Mississippi by preventing waste, avoiding the drilling of unnecessary wells, safeguarding, protecting and enforcing the coequal and correlative rights of all owners of hydrocarbons in the field to the extent that each such owner may recover his fair and equitable share of recoverable hydrocarbons without unnecessary expense. The adoption of Special Field Rules for Batteast Hill Field will foster, encourage and promote the full development of the field.

IT IS THEREFORE ORDERED AND ADJUDGED by the State Oil and Gas Board of Mississippi that the relief requested by Hogan Energy Corporation in the Petition filed in this docket should be and the same is hereby granted and it is further ordered and adjudged that Special Field Rules for Batteast Hill Field be and are hereby adopted and shall read as follows:

**SPECIAL FIELD RULES**

**BATTEAST HILL FIELD**

**WILKINSON COUNTY, MISSISSIPPI**

A. FIELD AREA:

Batteast Hill Field, as used herein, is defined as that area consisting of all that portion of the South Half (S½) of Section 24 and the North Half (N½) of Section 25, all in Township 4 North, Range 1 East, Wilkinson County, Mississippi, productive of oil and/or other hydrocarbons and all productive extensions to such area.

B. WILCOX OIL POOL DEFINED:

The WILCOX OIL POOL in Batteast Hill Field consists of those strata of the Wilcox Formation productive of oil and/or other hydrocarbons which can be correlated with the strata indicated on the Dual Induction SFL Log [run by Schlumberger on November 3, 1987] of the Calto Oil Co. -- U.S.A. 24-14 No. 1 Well (located 640 feet from the South line and 362 feet from the East line of the Southeast Quarter of the Southwest Quarter (SE¼ of SW¼) of Section 24 of Township 4 North, Range 1 East, Wilkinson County, Mississippi) between the depths of 4870 feet and 7112 feet (IEL measured depths) [true vertical subsea

depths of -4681 feet and -6923 feet] and all sands correlative to and in communication with said strata.

C. RULES:

RULE 1 -- Spacing of Wells

The statewide spacing rules as adopted by the State Oil and Gas Board of Mississippi under the Statewide Rules and Regulations shall govern the spacing of wells in the Wilcox Oil Pool in Batteast Hill Field.

RULE 2 -- Applicability of Statewide Rules

(A) All statewide rules and regulations, particularly those contained in Statewide Orders No. 201-51 and No. 244-69, and all amendments thereto, that are not specifically covered in the foregoing Special Field Rules are hereby adopted and shall apply to Batteast Hill Field.

(B) The Board expressly reserves the right after notice and hearing to alter, amend or repeal any and all of the foregoing rules and regulations, or to grant exceptions to all or any part thereof.

SO ORDERED AND ADJUDGED on this the 23<sup>rd</sup> day of October, 1997.

STATE OIL AND GAS BOARD OF MISSISSIPPI

By:

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Chairman

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